

# Pennar to double CDW capacity with new unit in Hyd

TIMES NEWS NETWORK

**Hyderabad:** City-based engineering products and solutions provider Pennar Industries Limited on Tuesday said it is doubling its cold drawn welded (CDW) tubes manufacturing capacity by setting up a greenfield unit on Hyderabad's outskirts at an investment of Rs 65 crore.

The company already has an installed capacity for manufacturing 1500MT per month of CDW tubes at Isnapur and will now be setting up the greenfield plant with a similar capacity at its existing campus in Velchal near Vikarabad. The new facility, which will manufacture CDW tubes of up to 150 mm diameter and 10 mm thickness, is expected to be operational in June 2020, the company said in a regulatory filing to the bourses.

Pennar Industries supplies CDW tubes to India's automotive OEMs for propeller shaft, shocker tube, chassis ladder frame, starter motor casing, seating solutions as well as the construction equipment sector. The company said that with its backward integration of steel strips it will

be producing high strength tubing up to UTS of 900 N/mm<sup>2</sup> and hopes to export nearly 30% of its CDW business volumes to markets such as US and Europe where it has a sales and marketing presence, it told the bourses.

Commenting on the new expansion, K M Sunil, vice president-corporate strategy, Pennar Industries, said, "The new CDW facility will cater to the hydraulic cylinder tube requirements of the consistently growing construction and earth moving equipment sector, including propeller shafts for high payload heavy vehicles. The precision ERW tubes from the same plant will be supplied to structurals for airport, stadia, idlers for conveyors as well as axles for LCVs and HCVs."

The BSE and NSE listed Pennar Industries has interests in railways, tubes, industrial components, steel products, pre-engineered buildings and enviro sector with eight plants located at Patancheru, Sadashivpet, Isnapur, Velchal and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra.